



House Bill 823

Committee: Environment and Transportation
Date: February 20, 2024
Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental properties that house more than 600,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 823 (HB 823) establishes new lease notice provisions, signage requirements, and fire safety instructions for tenants that live in multifamily high-rise buildings that are not equipped with fire sprinklers. Further, the bill ensures that visual notification devices for tenants that are deaf or hard of hearing are provided and paid for by the housing provider without the cost being passed on to the tenant, and establishes a workgroup to study best practices and make recommendations for the installation of fire alarms and automatic fire sprinklers in multifamily high-rises.

In addition to other concerns, MMHA is concerned with the bill's smoke detection requirements because NFPA standards are complex and extremely difficult, if not impossible, to adapt to older buildings. For older buildings, complying with the smoke detection requirements in NFPA 72 will trigger new fire alarm system requirements. Required upgrades will include addressing the audibility of the smoke alarm and interconnecting the smoke detectors with a fire alarm control panel. These audibility requirements extend beyond the corridors of the building and would include a sophisticated Voice Evacuation System within each bedroom and the common area of each apartment. These types of upgrades could easily exceed \$1 million dollars in a typical multifamily high-rise. For reference, the cost estimate to sprinker a 107-unit high-rise in Silver Spring was estimated at \$1,060,250. This estimate did not include the cost of hazardous material abatement, tenant relocation, loss of rental income, or upgraded water capacity. Nevertheless, this project would require a rent increase of nearly \$10,000 per unit if amortized over a 10-year period.

Maryland's housing providers and tenants simply cannot afford these costs. According the Maryland Department of Housing and Community Development, Maryland lacks more than 100,000 affordable housing units. The price of housing is increasingly being raised by legislative mandates like those found in HB 823.

Many of the un-sprinklered high-rises in the state are naturally occurring affordable housing that will cease to be affordable if the smoke detection mandate moves forward. In some cases, the level of rent increases needed to pay for these may ultimately prove to be untenable and result in units being removed from the rental market. For this reason, MMHA strongly urges the Committee to strike the smoke detection requirements in HB 823 and consider amendments to further reduce the impact that HB 823 will have on affordable housing.